

Speculation in the public lands ran to extravagant limits. The United States did not advance the price of public lands beyond one dollar and a quarter per acre, which had been fixed by law many years before. The speculators bought of the government at this fixed price and sold on a steadily rising market. The increase in sales of public lands had been comparatively steady and healthful up to 1834, when the sales were 4,659,218 acres and the amount received was \$6,099,981. The next year witnessed the sale of 12,364,478 acres and receipts of \$15,999,804, and 1836 witnessed sales of 20,074,870 acres and receipts of \$25,167,833. The speculative character of these sales is indicated by the steady decline in receipts after 1837, until they fell in 1842 to only \$1,417,972.\* President Jackson began to realize in 1836 the true character of the rush for the public lands and endeavored to check it by the issue of the famous "Specie circular." The circular was the result of the conclusion that the banks organized in the new sections of the West were not safe enough to meet the requirement of existing law, and that payment for lands should be received only in specie and notes of specie value. These banks were organized in many cases by land speculators, who issued notes, borrowed the notes and bought the land. The notes received for sales of land were deposited in the bank, increasing its resources, and were then borrowed again for new purchases of land. The "Specie circular," issued July n, 1836, put an end to this by requiring payments in coin or land scrip, except until December 15th by actual settlers or residents of the States in which the lands were situated.

The shriek of rage which was uttered by the defeated speculators was echoed by the political enemies of Jackson, and the legend still has believers, that the crisis of 1837 was the result of no other causes than the specie circular and the deposit of public funds in State banks instead of the Bank of the United States. The events connected with the discontinuance of deposits in the Bank of the United States and

<sup>1</sup> Poor, 528.